Vision: The Office of Student Financial Aid and Scholarships envisions an environment of exemplary services and advising that offers all students the financial means and necessary skills to attain their personal and educational goals.

Mission: The Office of Student Financial Aid and Scholarships provides our diverse student population with access to postsecondary education by rewarding individual achievements and by reducing the financial barriers that would otherwise prevent or inhibit qualified students from attending the University of Nevada, Reno.

I. Context for Planning

State and National Trends and Challenges:

- **Continued Student Growth** - The U.S. Department of Education forecasts the number of college students nationally to grow 9% nationally by 2013. A study from the Western Interstate Commission for Higher Education finds that by 2008-09, the number of high school graduates will grow to a record 3.2 million. Many of these new graduates will be seeking postsecondary education and proportionally more will come from racial/ethnic minority populations. Low-income and minority students have traditionally been underrepresented in higher education. Current trends suggest that even more of these students may be unable to enroll. Will financial aid funds and services be prepared for the challenge of supporting the new “emerging majority” of Latino, African-American, Native American and Asian students with both merit and need-based aid?

- **Diversity: a Challenge** - Greater numbers of prospective college students tends to favor affluent families. The competition among colleges to enroll the proportionally smaller group of students with the top grades and credentials is keen. Many affluent students who might have assumed they would head for the top private schools are finding the competition tough and are enrolling instead at public 4-year universities. This pushes lower-income students, who tend to be less prepared academically and are more financially needy, into community colleges. This increases our challenge to attain and retain a diverse student body. The University’s retention rate is 76%, but retention of in-state students of color 2004 to 2005 dropped to 74%; Clark County students remained at a 71% retention rate.

- **Tuition Keeps Rising** - Tuition has been climbing at two to three times the inflation rate for three decades. However, in 2005 tuition and fees at four-year public institutions increased 7.1% on average compared with 10.5% last year. State budgets for higher education are being trimmed at an alarming rate, which in turn continues the spiral of tuition increases. When tuition goes up, the demand for financial aid increases. Our office experiences a 10% increase in applications every year. By July 2005 (7 months into the filing cycle), we had received 83% of the total applications for all of 2004-05 cycle of 18 months. By February 2006, we had exceeded by 3% our prior year total application volume. In 2005, full-time students received an average of $3300 in grant aid at four-year publics. However, this fact is not as widely publicized as the rising cost of tuition.

- **Need vs. Academic Merit Aid** - Financial aid once went to the poorest students and families. Now, grants for special talent and the arts and merit grants and scholarships are growing faster than grants and other aid based on need.
Affluent students (and their parents) expect to be rewarded with academic merit aid. Our new scholarship award process permits the University to remain competitive in that expectation. The automatic allocation of a scholarship at the time the student is admitted has proven effective in shaping the entering class while at the same time supports more students with a scholarship. Freshmen enrollment increased by 12% in fall 2005, along with the academic quality of the students. Similarly, the Millennium Scholarship Program- another state merit program- has had a positive effect on enrollment and retention. It has increased the University’s enrollment each year by approximately 1000 students since its inception in 2000. This fall, we have over 6300 recipients. The State has found this program to be highly attractive but very expensive, necessitating legislative changes to contain the expenditures and preserve its availability for the future.

The State’s commitment to need-based aid increased by 7.4% in the five years from 1998-2004. However, most of the increase was funded by estate tax dollars, funds returned to the State from the federal government. Since that program phases out by 2010, the funding vehicle for need-based aid is now the per credit fee increase charged to all students. 50% of the per credit increase is set aside in an Access Fund to provide a critical resource needed to keep the doors of educational opportunity open to all. There has been discussion of removing the need-based criteria. This would be disastrous, since there are no new state student aid funds proposed for needy students.

- **Tighter federal budget**- In the wake of Hurricanes from Katrina to Wilma, the cost of the Iraq War, burgeoning health costs, and corresponding federal budget deficits, Congress is executing sharp cuts in federal domestic programs. The Deficit Reduction Act of 2005 makes significant changes to student loans that affect students, lenders, and guarantors. An earlier proposal to increase the Pell Grant was shelved, leaving the maximum grant at the current amount for 2006-07 at $4050. The President’s 2007 Budget likewise cuts domestic spending with deep cuts into student aid that could total $5 billion by 2010.

- **Pending Higher Education Act Reauthorization**- The Higher Education Act that governs the federal student aid programs has a mandatory 5 year renewal or reauthorization when the Congress reexamines the law and adopts changes. The HEA reauthorization was due to occur in 2003, but has been extended through a series of continuing resolutions while congressional committees work out the details affecting Pell Grant, need analysis formulas, student eligibility, student loan program interest rates and fees, loan limits, lender and guarantor reimbursements and many other contentious and partisan issues. Some issues have been settled with the enactment of the Deficit Reduction Act of 2005. Still other proposed changes may occur when and if the Reauthorization is enacted later this year.

- **Where the Money Is**- Alternate sources are becoming popular financing options with the flattened levels of federal and state financial aid and rising costs. One such source is private, educational loans which totaled more than $13.9 billion and represented 22% of all education loans in 2003-04, up from just 5% a decade ago. Even with the increase in Stafford loan limits effective in 2007, private borrowing is expected to continue increasing because of the gap between available aid and costs. This has implications on loan default rates as students attempt to manage the repayment of multiple loans from multiple lenders at multiple interest rates. 529 college savings plans and pre-paid tuition for families who can afford them are becoming more commonplace. Nevada’s Upromise Program was recently ranked as one of the 5 best plans nationally. Increasingly the financial aid administrator is being asked for advice on more general
financial planning for college not just for information on federal student aid programs. This may be a trend that aid offices may need to consider subsidizing for staff who want to become more expert as financial planners.

Students rely on credit cards to finance not just tuition but also living expenses. 83% of undergraduates have at least one credit card. By the time students reach their senior year, 31% carry a balance of $3,400. This burden coupled with student loan indebtedness is likely to contribute to defaults and bankruptcies, and perhaps influence the career field that a student might choose. This trend bears watching and may necessitate programs of financial literacy organized by the aid office with sponsorship from student organizations like ASUN and GSA and our student loan lenders.

- **Alternative Delivery Scenarios** - As the demographics of students change, “brick and mortar” buildings fill, and more working adults are seeking flexible class offerings, colleges are creating new ways to deliver instruction through telecommunication and web-based courses, correspondence, and independent learning to meet the competition from for-profit, proprietary institutions. The University of Phoenix, as an example enrolls 228,000 students. Traditional public institutions now see this population as an “untapped” revenue source. Likewise consortium agreements and memoranda of understanding between colleges to eliminate duplication of coursework are an emerging trend. Such arrangements are difficult for the financial aid office to manage in an automated environment. Manual tracking is required, and therefore subject to error. Compliance issues and audit findings may be the result.

For-profits also seem to be winning favor with the Congress, which is irked with public and private colleges over rising tuition. The recently signed Deficit Reduction Act liberalizes the restriction on distance education programs by eliminating how much of an institution’s coursework can be taught on-line, modifying the definition of an academic year, and reducing the length of a certificate program. These will make more for-profits eligible to participate in the federal student aid programs and further increase the competition for students.

Interdisciplinary studies programs that mix liberal arts with science and technology, combined degrees in which the student earns an undergraduate and graduate degree concurrently, and other “niche” programs not hampered by departments’ and colleges’ ownership are also emerging as colleges try and differentiate themselves in the marketplace. Since financial aid programs are not set up in these ways, they are also a source of challenge for an aid office to manage efficiently and accurately.

**II. Key Performance Indicators:**

1. Trends in FAFSA applications- totals and by student type-dependent vs. independent.
2. Total dollars and students assisted annually by program, program type, need and merit, and by undergraduate and graduate students.
3. Number of students of color who apply and receive aid in proportion to the total student population.
4. Number of students accessing the office web site, submitting interactive forms and using other e-services.
5. Student satisfaction surveys and the results of other assessment tools.
6. Annual compliance audits of federal and state aid funds.
7. Assessment of the recently implemented Default Management program on our future default rate on federal loans.
8. Trend in annual cohort default rates on Stafford loan programs.
9. Performance management reports that identify inefficiencies in processes and how those were used to influence decisions to reduce or eliminate them.
10. Results of the Quality Assurance program—student errors, items of error, amount of funds “saved”, adjustments made to reduce the amount and items of error.
11. Noel Levitz analyses and the intervention strategies employed by the enrollment management team to affect freshmen enrollment goals.
12. Success of freshmen and sophomore scholarship students to retain their eligibility for the first two years and whether they were successful in migrating into the colleges’ award selection processes.
13. Retention rates of first-time students fall to spring and fall to fall and the profiles of those student markets and academic profiles.
14. Number of off-campus work-study contracts and our success in meeting the mandated percentage for community service.
15. Scholarships spreadsheet tracked by year starting with 2003-04, the year prior to the Noel Levitz implementation in 2004-05: general program dollars available, students funded, % enrolled and retained, students funded by the colleges and dollars.

III. Resource Need and Priorities:
1. End the sponsorship of Nevada State College at the end of the spring 2006 semester and transfer applicant data to them for awarding for 2006-07.
2. Hire 1.0 FTE financial aid advisor to organize outreach activities specific to financial aid and scholarships, such as College Goal Sunday and the Sallie Mae College Tour and to train other campus staff on financial aid and scholarship basics. This is to replace the position “borrowed” for OPS. It was allocated to financial aid in the student employment transition. This position could also be the financial aid liaison to the Southern office.
3. Allocate 1.0 new FTE for computer networking, data management, and enhanced e-services for students.
4. Allocate 1.0 new FTE for conversion to manage, direct and train staff on the new Student Information System.
5. Hire 1.0 FTE professional writer to coordinate enrollment and financial aid publications and web content for OPS, A&R, and Financial Aid and Scholarships to ensure consistency and continuity across the division.
6. Hire 1.0 FTE financial aid advisor to manage the new programs identified below that will supplement the office’s ability to reach out to other campus entities.
7. Find permanent institutional funding to support and expand the Presidential Scholars program.
8. Secure endowment/investment resources that will yield an additional $10 million dollars each year to support and increase the automatic scholarship appropriation to all academically eligible entering freshmen and sophomore students.
9. More need-based financial aid to support access and opportunity. Advocate against any proposal to redirect the 90% of need-based Access dollars.

VI. Suggestions for New “Programs” or Services
1. Support the training of one or more advisor to become an expert on college financing plans through a certified financial planner program. This would add depth to our service to parents that extends beyond the federal student aid programs.
2. Consider reassigning the awarding process and notifications for entering student scholarships to Admissions and Records. A coordinating staff person or team could be assigned to oversee the processes between the Financial Aid and Scholarship Office and Admissions and
Records. This would better support the enrollment goals as a tandem process to admission and direct families to one location for initial contact.

3. Partner with ASUN and GSA, our lenders, JTSU, and career development (perhaps) to organize and sponsor a financial literacy series of workshops for targeted groups of students who have been identified by EdFund, the loan guarantor, as potential defaulters of their student loans and for students in need of money management assistance.

4. Create a small group of staff within the enrollment services division to collaborate one and ensure a similar “look and feel” for all publications whether web or print copy.

5. Assign staff to collaborate directly with Extended Studies in their proposal stages as they create more distance education programs and opportunities to ensure that what is proposed is workable within the financial aid framework.

6. Formalize a team within the office staff whose assigned responsibility it is to design and coordinate aid presentations, act as a resource to campus offices, and train OPS, Upward Bound, SAOS and other staff on financial aid and scholarship basics, so they can deliver accurate information to audiences of prospective students and general public.